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Approved For Release 1999/09/10 : CIA-RDP82-00283R000100180012-5

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ECONOMIC INTELLIGENCE COMMITTEE

Minutes of Meeting held in
Director's Conference Room, Administration Building
2430 E Street, N. W.
16 August 1951

PRESENT:

Dr. Max F. Millikan, CIA, Chairman
Mr. Henry Brodie, State
Mr. Howard Wiedemann, State
Mr. Fred Sanderson, State
Mr. John F. Kullgren, Army
Lt. Colonel George B. Russell, Army
Commander Donald C. Deane, Navy
Dr. James T. Lowe, Air Force
Dr. Joseph D. Coker, Air Force
Mr. John Easton, JCS
Mr. Herbert B. Woolley, ECA
25X1A9a [REDACTED] CIA, Secretary
[REDACTED] CIA

Approval of Minutes

1. Action: Item 18 of EIC-M-3 was amended as follows: The fourth sentence was changed to read "In this role it has given some thought to the desirability of establishing a central file of markings . . ." In the fifth sentence, the words "it seems" were substituted for "in some respects". The minutes of the meeting of 9 August (EIC-M-3) were approved as amended.

Report on Actions Required by the Working Group on Western Europe

ONE Views on NIE-40 Terms of Reference

25X1A9a 2. Action: A memorandum of conversation outlining a discussion
25X1A9a on this subject between [REDACTED], Assistant Director for National Estimates,
and [REDACTED] was distributed at the meeting. On the basis of [REDACTED] 25X1A9a
views, the Committee concluded the following:

a. The EIC request for an extension of the deadline on NIE-40 to 17 November 1951 was approved.

b. Greece and Turkey are not included in the terms of reference.

c. With regard to the questions on extrapolation of data to 1953 and 1954 and the submission of production data for World War II,

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it was the sense of the meeting that individual contributors to the economic sections of NIE-40 would, within the limits of personnel available for the job, generally follow the outline suggested by the Working Group, with a liberal use of ranges and qualitative estimates in those instances where more exact quantitative data could not be supplied.

d. On the subject of studies on the Soviet Orbit, it was agreed that these analyses should be based largely on past research papers and that little new research on this area was anticipated for NIE-40.

IAC Decision on the Priority of NIS Program in Relation to NIE-40

3. Action: Dr. Millikan reported that the IAC had taken up the question of the relative priority of the NIS program and NIE-40 at its meeting that morning. It was agreed by the IAC that NIE-40 had priority over the NIS and that work on NIE-40 should proceed as scheduled even though it resulted in a delay of the NIS program.

OSI Views on Atomic Energy Section of NIE-40

4. Discussion: OSI views have not yet been obtained. Dr. Millikan has had only preliminary discussions with [REDACTED]. A further report will be made at the next EIC meeting. 25X1A9a

Views of Subcommittee on Agriculture re Agricultural Section of NIE-40

5. Action: In the event that any of the non-IAC agencies represented on this Subcommittee express an unwillingness to contribute to NIE-40, Dr. Millikan is to contact the EIC associate member in those agencies to solicit their assistance.

6. Discussion: It was reported that the Subcommittee on Agriculture had not yet been consulted to determine whether it would be able to prepare the Food and Agriculture sections of NIE-40. [REDACTED] CIA, stated that there might be some question about the willingness of the non-IAC members to assist in the preparation of these sections. 25X1A9a

Release of WSEG Paper

7. Discussion: The JCS representative, Mr. Easton, reported that the WSEG paper relating in content to NIE-40 would not be completed for approximately two weeks. At that time, after clearance with Dr. Allen of AFOIN, the paper in question will be made available to the Working Group.

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Report on Dr. Millikan's Discussions with JMIA

8. Discussion: Dr. Millikan has an appointment with the Director, Joint Materials Intelligence Agency, on Friday, 17 August. A report of the results of this discussion will be made at the next EIC meeting.

Report on the Progress of Subcommittees - General

9. Action: The Secretary, EIC, was asked to check with the Subcommittee on Requirements and Facilities for Collation in regard to their system for notifying members about meetings. It was stated that at least one member was not notified of the first meeting.

Subcommittee on Requirements and Facilities for Collation

10. Discussion: This Subcommittee has not met since its first meeting last week. A subgroup is currently drafting terms of reference for the Subcommittee while other members are making arrangements for the preparation of requirements for the State Department Division of Foreign Reporting.

Subcommittee on Agriculture

11. Discussion: The Subcommittee on Agriculture held its first meeting last week. Terms of reference for the Subcommittee are being drafted and arrangements are being made to prepare requirements for the State Department Division of Foreign Reporting.

Subcommittee on Petroleum

12. Discussion: The first meeting of this Subcommittee will probably be held next week. Representatives from the Petroleum Administration for Defense, the Munitions Board, and the Department of State have agreed to serve on the proposed Petroleum Advisory Panel.

Subcommittee on Transportation

13. Discussion: Both the Chairman and Secretary of this Subcommittee are on leave. The first meeting will be held as soon as they return.

Working Group on the Economy of Western Europe

14. Discussion: There was no further report on this Working Group except as covered in paragraphs 2, 3, 4, 5, and 6 above.

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Periodic Report on the Status of Economic Intelligence Research Projects

15. Action: The proposal that the Economic Intelligence Committee issue a periodic report on the Status of Economic Intelligence Research Projects was temporarily tabled.

16. Discussion: Some members of the Committee felt that the need for such a periodic report had not been clearly demonstrated and that the submission of the necessary information would be a burden on the contributing agencies; others felt that such a report would be useful and should be attempted. It was indicated that such periodic reports had been issued in the past and had been found unsatisfactory; however, several members pointed out that the utility of these reports had been limited by the form in which they were published. The Committee agreed that the matter should be reconsidered at some future date. Meanwhile the survey of Soviet orbit programs agreed to in item 19 below would offer an opportunity to explore on a more limited scale the problems involved in preparing such a document.

Handbook of Sources of Economic Intelligence in the United States Government

17. Action: The proposal that the Economic Intelligence Committee prepare a Handbook of Sources of Economic Intelligence in the United States Government was tabled for consideration at some future date.

18. Discussion: It was generally agreed that this subject could be most usefully considered in connection with the proposal for a Government-wide Survey and it was felt that the preparation of such a handbook should be worked into this survey and not considered as a separate item at this time.

Proposal for a Government-wide Survey of Research Programs on the Economy of the Soviet Orbit

19. Action: The Committee agreed that CIA should initiate a Government-wide survey of research programs on the economy of the Soviet orbit. Letters are to be directed to all of those United States Government departments and agencies presently engaged in economic research on the orbit requesting that they furnish information on their current research studies in this field. Information is also to be requested on continuing research activities which might not be reflected in a list of research studies. CIA will ask that responses be submitted within two weeks of the date of the letters. On receipt of the replies, CIA will prepare a report of its findings for presentation to the Economic Intelligence Committee.

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20. Discussion: In connection with his proposal for a Government-wide survey of research programs on the economy of the Soviet orbit, Dr. Millikan read extracts from the Terms of Reference for the Economic Intelligence Committee (IAC-D-22/1 (Rev)) which states among other things that the Economic Intelligence Committee shall:

"3. c. Examine continuing programs of fundamental economic research relating to the national security throughout the United States Government . . .

"3. f. Maintain a continuing review of the foreign economic intelligence activities of the United States Government as they relate to the national security. " . . .

21. It was agreed that, initially at least, the survey to be conducted would be confined to the Soviet orbit. It was felt that studies bearing on East-West trade and similar international aspects of Soviet relations should be included in the initial phase of the survey.

Plans for the Next EIC Meeting

22. Action: The Committee agreed to meet again on Thursday, 30 August, at 2:00 p.m. in the Director's Conference Room, Administration Building.

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Secretary
Economic Intelligence Committee